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FEBRUARY 14, 2019

Home - General Biz News - [New owners of Río Bayamón community complex to invest \\$200M to redevelop](#)

FEATURED GENERAL BIZ NEWS

New owners of Río Bayamón community complex to invest \$200M to redevelop

🕒 December 4, 2018 💬 0 👁 1532



The mixed-used property is separated into 19 individual parcels and located off State Road PR-177, next to the Jardines de Caparra Urban Train station.

Puerto Rican real estate development firm VRM Companies is the new owner of the 90-acre property known as Río Bayamón community, which it bought from the government for \$12 million last month, this media outlet confirmed.

In an exclusive interview, company President Rafael Rojo said the property will now undergo a 10-year, \$200 million redevelopment that includes building townhomes, apartments and single-family homes to cater to current and future real estate market needs.

The community will also feature a variety of sporting venues, aside from the eight tennis courts already in place that should be ready for use in the next two weeks, he said.

“Right now, we’re in negotiations with several people to develop some type of sporting complex for different activities, and to generate movement that in a way can feed the Urban Train,” said Rojo, who aside from his managing role in VRM, has held positions in professional trade groups such as the Puerto Rico Builders Association, the Puerto Rico Manufacturers Association and the Private Sector Coalition.

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The Río Bayamón Community is a property that has been sitting idle for several decades. The government expropriated it, built infrastructure on it, but did nothing more with it. The last administration to take an interest in it was former Gov. Alejandro García-Padilla's, which considered turning it into a public housing project, Rojo said.

"This is one of those properties that those of us who are in the development business know all about. The best thing the government could have done was to sell it and put it in private hands," he said.

The Río Bayamón Community was one of at least 15 properties that were held by the now-defunct Government Development Bank, the majority of which were acquired in exchange for a \$150 million loan on Dec. 30, 2008, used by the central government to cover a portion of the FY2008-2009 deficit, according to the Fiscal Plan.

The mixed-used property is separated into 19 individual parcels and is located off State Road PR-177, next to the Jardines de Caparra Urban Train station. The development has infrastructure in place allowing for the construction of 2,888 Basic Living Units, 112,000 square feet of commercial space and 5,000 square feet of institutional-use space, according to its description.

Investment in current infrastructure — including tennis courts and other recreational amenities — surpasses \$80 million, according to the listing. The government was seeking \$25 million for the property, which was appraised at \$19.6 million last year, a figure Rojo said was likely reached by using comps for other properties sold to build assisted living projects that receive government subsidies.

But he confirmed that the property was re-appraised by both the government and VRM, and both came back with the same number — \$12 million — the amount that VRM paid when the transaction closed Nov. 16, 2018. The purchase is being partially financed by Banco Popular de Puerto Rico, the executive confirmed.

While the blueprint for the 90-acre property is ready, the company must now submit the full construction plans to the government for the necessary permits.

VRM expects to be able to break ground on the first of several phases of the redevelopment project by January or February 2019, Rojo confirmed.

"We're ready to start tomorrow. But we need permits. The property has the infrastructure, and has the approval for the environmental impact statement. What we plan to do falls below the densities that had been approved for those lots," he said.

At present, there is a crew of 15 people cleaning up the destruction Hurricane María left behind last year, including damage to the tennis court facilities. A tennis academy will begin operating there to train youth to compete in and outside Puerto Rico. The courts constructed 10 years ago will also be open for the community to use, Rojo said.



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